

05 JUL 1978

MEMORANDUM FOR: Chief, Plans and Programs Staff

FROM: [REDACTED]

DC/PMS

SUBJECT: Draft Task Force Reports

REFERENCE: Form 610 to PMS, dtd 26 Jun 78,  
fm C/P&PS, same subject (OL 8 2855)

1. We have reviewed a portion of draft report under the "Administrative Services Reorganization Project of the President's Reorganization Project on Issue No. S-5: Vendors and the FSS Procurement Process." This issue explores contract complexity problems including primarily the contract format and specifications aspects of Government contracts. This Office concurs with any efforts designed to, and effective in, the lessening of the complexities currently inherent in Government contracts. The complexities can generally be overcome by concerns genuinely interested in contracting with the Government. However, any effort expended in this respect is costly directly to the potential contractor and ultimately is passed on to the Government in contractor pricing and consequently is inflationary in nature. Therefore we concur with OFPP's efforts to simplify to the utmost the necessary procedures and regulations involved with Government contracting. A step in this direction would be to accomplish many of the goals or recommended improvements specified especially the simplification of regulations, contract forms and the use of more easily understood contract language particularly in contracts not in excess of certain dollar limitations, i.e. the \$25,000 threshold mentioned in the S-5 summary.

2. It was also noted in the background paragraph stated that . . . "the Secretary of Defense could exempt the Department of Defense from the provisions of the Act" (Federal Property and Administrative Services Act of 1949). Since the CIA operates its procurement system in accordance with ASPR and/or the FPR whenever it prevails, we would essentially

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be effected by any resultant changes that it would agree to in procurement policies and procedures. The ASPR, now known as the Defense Acquisition Regulation (DAR), is presently being jointly reviewed at the OFPP/DOD level in light of the President's Reorganization Project. The date of issuance of the DAR is not known. However, it is expected to embody certain streamlined procurement policies and procedures.

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